UNITED
NATIONS

E

Economic and Social Council

Distr.
GENERAL

E/CN.3/1997/5
11 December 1996

ORIGINAL: ENGLISH

STATISTICAL COMMISSION
Twenty-ninth session
10-14 February 1997
Item 4 of the provisional agenda*

INTERNATIONAL ECONOMIC AND SOCIAL CLASSIFICATIONS

Report of the Voorburg Group on Service Statistics on the revised Provisional Central Product Classification

Note by the Secretary-General

The Secretary-General has the honour to transmit to the Statistical Commission the report of the Voorburg Group on Service Statistics on the revised Provisional Central Product Classification.[1] The report is contained in the annex. The report is transmitted to the Commission in accordance with a request of the Statistical Commission at its twenty-eighth session.[2]

Notes

[1] The revised version is before the Statistical Commission as "Draft Central Product Classification (Services Part; Sections 5-9) Version 1.0" (PROVISIONAL ST/ESA/STAT/SER.M/77 (Version 1.0)).

[2] Official Records of the Economic and Social Council, 1995, Supplement No. 8 (E/1995/28), para. 48.

* E/CN.3/1997/1.

96-35950 (E) 060197 080197

/...

Annex

REPORT OF THE VOORBURG GROUP ON SERVICE STATISTICS

1. The Statistical Commission, at its twenty-eighth session, endorsed the report of the Voorburg Group on Service Statistics, recommending changes to the Provisional Central Product Classification (CPC)[a] for services, and agreed that the work of the Voorburg Group should continue.[b]

2. The Commission[b]:

(a) Recommended that the revisions proposed by the Voorburg Group be incorporated into the new version of the CPC, to be labelled "Version 1.0", and that mechanisms similar to those used by the World Customs Organization for maintaining its Harmonized Commodity Description and Coding System (HS) be set up for maintaining the CPC;

(b) Stressed the desirability of wider participation of countries outside the Voorburg Group in commenting on proposals for revision, as well as the need to not weaken links to the Classification of Products by Activities (CPA) of the Statistical Office of the European Communities (Eurostat);

(c) Recommended that, since the work on the HS and the CPC for services was to be carried out under the direction of different bodies, there should be coordination of the efforts to revise, respectively, goods and services. Newspapers and the electronic media were given as examples of such ambiguous entities;

(d) Endorsed the need to ensure that the structure of the CPC adequately reflected new technologies (for example, the "technological fusion" of communications and computers) and that there would be "upward compatibility" of future revisions of the CPC, as well as consideration of the effects of classification revisions on the comparability of statistical time-series.

3. The following summarizes the actions taken by the Voorburg Group in order to address the Commission's requests.

4. The Voorburg Group felt that even though not all parts of the CPC and its structure had been fully reviewed and revised, significant improvements had been made, mainly to the services part (sections 5-9) of the classification. The correspondence tables to the goods part (sections 0-4) had been updated to reflect the 1996 changes in the HS. For these reasons, the CPC was forwarded to the United Nations Statistics Division with the recommendation that the entire classification be published.[c] The Group also recommended to the Division that this version replace the provisional CPC and be called "CPC Version 1.0" in recognition of the fact that the classification's revision is an ongoing process.

5. The Voorburg Group reviewed the CPC in the light of the experience of its members, comments received from States Members of the United Nations to whom the earlier report was circulated, results of consultations with international

organizations, and developments in other international classifications. The revision referred to in this paper[6] reflects improvements at the more detailed levels of the classification, although some changes to the higher-level groupings have also been made. The explanatory notes have been expanded. They now cover all the classes of the CPC and have been changed from descriptive notes to itemized lists of products.

6. The Voorburg Group was mindful of maintaining links with the CPA at the detailed level of the CPC and benefited from the participation of classification experts from Eurostat.

7. The Voorburg Group noted the interest of the Statistical Commission in adequately reflecting new technology in the revised CPC. Steps taken in this direction include the creation of one new division in CPC Version 1.0 for Telecommunications Services, Information Retrieval and Supply Services.

8. The Voorburg Group recognized that the structure of the goods part of the CPC should be reviewed and revised in the light of the need to create a Harmonized System (HS) based classification that can be better used to analyse domestic production and international trade statistics. In view of the need for coordination and continuity in the revision of both the goods and services parts of the CPC, a group will be constituted on product classifications. Its first task will be to verify the role, purpose, function and conceptual basis for a revision of the goods part of the CPC. It will then undertake the task of reviewing and revising the goods part of the CPC. It will also make recommendations on such questions of interpretation and rulings relating to the services part of CPC Version 1.0 as are referred to it by the United Nations Statistics Division.

9. The Voorburg Group has already reviewed the goods part of the CPC to some extent by updating it in accordance with the 1996 revisions of the Harmonized System (HS), after which the United Nations Statistics Division updated its links to the Standard Industrial Trade Classification, Revision 3 (SITC Rev. 3) and the International Standard Industrial Classification of All Economic Activities, Revision 3 (ISIC Rev. 3). Changes in the correspondences between these two classifications and CPC Version 1.0 can be found in a background document before the Commission at the present session.

10. The Voorburg Group noted the need for the United Nations Statistics Division to provide regular feedback on the CPC to the Statistical Commission and its Working Group at their future sessions.

11. Since the Voorburg Group has made some important changes to the structure of the provisional CPC, in order to assist users in maintaining time-series continuity, it has provided a concordance showing the relationship between the provisional CPC and CPC Version 1.0 in an appendix to CPC Version 1.0.

Points for discussion

12. The Commission may wish to discuss the following:

(a) With respect to CPC Version 1.0, does the Commission endorse the recommendation of the Voorburg Group with regard to the publication of CPC Version 1.0?

(b) With respect to the goods part of the CPC:

(i) Are the arrangements proposed for the forthcoming review satisfactory?

(ii) What interim reporting on progress do the members of the Commission feel is required?

Notes

[a] United Nations publication, Sales No. E.91.XVII.7.

[b] Official Records of the Economic and Social Council, 1995, Supplement No. 8 (E//1995/28), para. 48.

[c] PROVISIONAL ST/ESA/STAT/Ser.M/77 (Version 1.0).